

What is claimed is:

1. A method of clearing transactions on an electronic exchange comprises;

5 performing a full settlement run after cessation of trading;
automatically marking-to-market all open positions; and
determining margin requirements.

2. The method of claim 1 wherein determining margin
10 requirements determines that a position calls for a cash margin
protocol, the method further comprising:

15 sending to subscribers or subscriber depository or
guaranteeing banks debits and/or credits; and
updating the resulting balances in, each subscriber's
account.

3. The method of claim 1 wherein determining margin
requirements determines that a position calls for an asset based
margin protocol, the method further comprising:

20 disseminating position information but no daily pays or
collects will take place so long as sufficient assets are already
identified.

4. The method of claim 1 wherein marking to market further
25 comprises:

posting a position for a subscriber to a subscriber trading
account as soon as any portion of an order is filled.

5. The method of claim 1 wherein marking to market further
30 comprises:

determining whether the subscriber has a position at the other side of the market that can result in an offset of the position and the position at the other side of the market.

5 6. The method of claim 5 wherein marking to market further comprises:

 liquidating the trade with any resulting credit or debit identified as a realized gain or loss in the subscriber's trading account.

10 7. The method of claim 1 wherein determining margin requirements further comprises:

 recording assets that are delivered to the exchange for satisfying margin.

15 8. The method of claim 1 wherein recording assets further comprises:

 determining an equivalent asset value to reflect a capital charge applied to special classes of assets.

20 9. The method of claim 1 wherein recording assets further comprises:

 maintaining an asset inventory for each trading account, and indicating whether assets in the trading account are limited to covering a single contract genus or a specific delivery commitment, or can be applied to multiple products.

25 10. The method of claim 1 further comprising:

 determining an initial margin for each contract species held in a subscriber's trading account.

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11. The method of claim 1 further comprising:

determining a variation margin and applying the variation margin to the subscriber's trading account.

5 12. A computer program product residing on a computer readable medium for clearing transactions on an electronic exchange comprises instructions for causing a computer to;

perform a full settlement run after cessation of trading;

automatically mark-to-market all open positions; and

10 determine margin requirements for market participants.

13. The computer program product of claim 12 wherein instructions to determine margin requirements comprise instructions to causes a computer to

15 determine that a position calls for a cash margin protocol.

14. The computer program product of claim 12 wherein instructions to determine margin requirement further comprise instructions to:

20 send messages that are debits and/or credits to subscribers or subscriber depository or guaranteeing banks; and

update a resulting balances in each subscriber's account.

25 15. The computer program product of claim 12 wherein instructions to determine margin requirements further comprise instructions to:

determines that a position calls for an asset based margin protocol.

30 16. The computer program product of claim 12 wherein

instructions to determine margin requirements further comprise instructions to:

disseminating position information but no daily pays or collects will take place so long as sufficient assets are already identified.

17. The computer program product of claim 12 wherein instructions to mark to market further comprise instructions to: post a position for a subscriber to a subscriber trading account as soon as any portion of an order is filled.

18. The computer program product of claim 12 wherein instructions to mark to market further comprise instructions to: determine whether the subscriber has a position at the other side of the market that can result in an offset of the position and the position at the other side of the market.

19. The computer program product of claim 12 wherein instructions to mark to market further comprise instructions to: liquidate the trade with any resulting credit or debit identified as a realized gain or loss in the subscriber's trading account.

20. A system for clearing transactions on an electronic exchange, comprises:

a computer system that is fed information regarding trades for traders on behalf of subscribers, current prices for products traded on the exchange, information regarding margin available in a trading account and margin requirements for a contract genus;

a process that executes on the compute system, comprising:

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